Scott. II-37—40,000—27-10-47.

FINANCE (REORGANISATION) (195 ) Department.

MS. SERIES.

G.O. No. 824

824

Dated 20th October 1947.

[Despatch Abstract.]

TRAVELLING ALLOWANCES - Increase in rates of mileage for certain officers - Papers recorded.

## Note for the Reorganization Committee.

Sub: Travelling Allowance - Increase in rates for certain Officers.

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The Government had under consideration a proposal to grant a subsidy not exceeding Rs.2000, subject to certain conditions, to touring officers towards the purchase of motor cars. At the meeting of the Cabinet on 4-11-1946, the proposal was dropped. but it was ordered that the Cabinet Sub-Commitee for Reorganization and Retrenchment should look into the question of adequacy of travelling allowance and mileage rates in the light of present circumstances including cost of vehicles at present, the price of petrol etc.

2. Under the Madras Travelling Allowance Rules, Annexure VI only officers on pay exceeding Rs.500, i.e. falling under Grades I to IV, are entitled to claim from Government the cost of transporting a motor car by rail when they are transferred from one station to another. The rules also generally recognise journeys by motor (as opposed to journey by motor bus) only in the case of these officers. The proposal in this case viz., whether the rates of travelling allowance are adequate, may therefore be examined in respect of such officers only, and the examination may also be restricted to mileage rates for journeys performed by them by road in a car.

3. The rates of mileage prescribed in Annexure I to the Madras Travelling Allowance Rules were fixed on the recommendation of the Retrenchment Committee of 1931. These rates have been temporarily increased by 50% with effect from 1-10-43 in G.O. 266, Finance, dated 20-12-1943. The rates in force prior to 1-10-43 and from 1-10-1943 are shown below:-

| | Mileage rates in force prior to 1-10-43 (annas) | from 1-10-43 (annas) |
|---|---|---|
| GRADE I (Heads of Deptts. Collectors etc.) | 8 | 12 |
| GRADE II(Others on pay exceeding Rs.1000) | 7 | 10½ |
| GRADE III(on pay exceeding Rs.750 & officers of All-India Services) | 6 | 9 |
| GRADE IV(on pay exceeding Rs.5000) | 6 | 9 |

The rates of mileage recommended by the Retrenchment Committee of 1931 were intended to compensate an officer (a) for the running of his own car and (b) for engaging other conveyance for the carriage of his servants, personal officers etc. No daily allowance is given to an officer on the day of road journey. It was taken that the cost of running of a car would be annas four per mile and that the balance would cover the hire of bullock carts for the transport of servants etc. - vide table below:

| GRADE--I | Mileage rate. | Running cost of car per mile. | Hire for bullock carts at Annas 2 per mile. |
|---|---|---|---|
| GRADE I | As. 8 | As. 4 | 4 (2 carts) |
| Grade II | 7 | 4 | 3 |
| GRADE III | 6 | 4 | 2 |
| GRADE IV. | 6 | 4 | 2 |

The running cost of a car per mile was calculated in 1929 at four annas on the following basis,

P.T.O.

| | As per mile |
|---|---|
| Tyres (cost of 4 tyres & four tubes for 8000 miles Rs.219) | 44 |
| Petrol at Rs.1-6-0 per gallon and 20 miles per gallon | 1.10 |
| Oil at Rs.5 per gallon and 500 miles per gallon.. | .16 |
| Tolls | 1.00 |
| Repairs and maintenance | .60 |
| | 3.30 |

or As.4 per mile rounded to the next higher anna.

The estimate for "Repairs and maintenance" does not include provision for depreciation on the car and driver's wages as it was considered that these items vary with each car, or officer, and that, in any case an officer of the status under consideration would keep a car and incur these items of expenditure even if he had no touring to do. But the Cabinet decision of 4-11-46 is that the cost of vehicles at present should be taken into account. Obviously, driver's wages also should be taken into account.

As the rate of mileage has been increased by 50% from 1-10-1943 it has now to be taken that the rates provides for the cost of running a car at annas six per mile, as against the rate of annas four per mile worked out in 1929 and for engaging other conveyances for servants etc. at annas three per mile as against annas two per mile previously. The question will then boil down to the point whether the cost of running a car now exceeds 6 annas per mile, and whether other conveyances cost more than 3 annas per mile. In a discussion with Finance Secretary on the question of Govt. sanctioning subsidies to officers for purchasing cars, the Accountant General gave his opinion that there was a good case for increasing the T.A. rates.

4. In Order to examine the position, information has been collected from select Collectors and the P.M.T.C. regarding cost of tyres, tubes etc., taxes payable hire of bullock carts, present and pre-war cost of different types of cars, annual depreciation on the value of the car, rates of wages for drivers, average distance per month covered by the car for which mileage was drawn for a period of 6 months etc. On the basis of the information furnished by them a statement is put up showing the total mileage covered by each Collector during a period of 6 months, the amount spent by him on the maintenance of his car (including depreciation, insurance, wages of drivers, and cleaners, etc.), and the cost of running his car per mile incurred by him. This works out on an average to 10 annas per mile. This average may be taken to represent the present average cost although it is perhaps overpitched when compared to the rate of 10 annas per mile for motor taxis in the City of Madras which is also inclusive of profits to the owner of the taxi.

The above average rate of 10Ø annas per mile represents only the cost incurred by the officer on account of the transport of himself and what he could carry in his car to the camp. A touring officer will have to take in addition private servants (e.g. butler or cook) and his personal camp equipment.

Originally an allowance of 4 annas per mile was included in the mileage rate for a Grade I officer and this for the hiring of two bullock carts for the purpose. It is seen from the replies of Collectors that bullock carts are not generally used for the purpose and that motor transport is used. The average hire for motor transport works out to 3 annas per mile.

The cost of moving a camp in the case of a Grade I Officer thus works out to 13 annas per mile, as against As.12 per mile now admissible.

3. A Government servant of the rank of Collector or Conservator of Forests, or Superintending Engineer expected to maintain a conveyance suited to his rank and if he maintains a car at all the whole of the depreciation or chauffeur's pay should not be debited to the cost of maintenance for purpose of fixing mileage rates payable by Government. Many officers still have with them cars purchased before the war on which depreciation need not be allowed at a high rate per annum as they would have been in use for a long time. Many officers do not also engage driver. If these factors are taken into account the cost of running a car per mile will be reduced to about 6 annas per mile.

As regards officers in Grades II and III the average cost of running a car works out to annas 9 per mile and for officers in Grade IV it works out to 8 annas per mile. Even these rates are inflated ones as officers in the lower grade go in for less costly cars, generally drive the cars themselves, and the expenditure on the transport of camp equipment will be less. The rates mentioned below have been arrived at by adopting the alternatives specified in columns (2) and (3)

| OFFICERS. (1) | Mileage calculated after allowing only half the depreciation and half the chauffeur's pay but omitting taxes and insurance. (2) | | | Mileage calculated after allowing half the depreciation but omitting chauffeur's pay, taxes and insurance. (3) | | |
|---|---|---|---|---|---|---|
| | Rs. | As. | Ps. | Rs. | As. | Ps. |
| GRADE I | 0 | 7 | 6 | 0 | 7 | 0 |
| GRADE II | 0 | 7 | 0 | 0 | 6 | 0 |
| GRADE III | 0 | 7 | 0 | 0 | 6 | 0 |
| GRADE IV | 0 | 5 | 0 | 0 | 5 | 0 |

These figures in Column (2) show that the existing rates of mileage leave a sufficient margin, after meeting the cost of running the car, to the officer to meet the other expenses on the day of journey. If certain items involved in the maintenance of a car (taxes, insurance etc.) are left out of account altogether there will be no case at all for increasing the rates of mileage (column (3) of the statement)

Further, the rates of mileage now in force in this, province are definitely higher than the rates granted by the Central Provinces and Berar, United Provinces and by the Government of India for their officers (Vide Appendix )

6. The point for consideration is whether there is any case for increasing the existing rates of mileage for journeys performed by officers of Grade I to IV by road in a car.

Sd. x x x
17-9-47.

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## SUMMARISING NOTES.

A proposal to grant a subsidy not exceeding Rs.2000 to touring officers for the purchase of motor-cars, in view of the present high prices was dropped in November 1946, and the Cabinet decided that the Re-organisation Committee should look into the question of the adequacy of travelling allowance and mileage rates in the light of present circumstances including cost of vehicles, the priee of petrol, etc.

Information was called for from slelect Collectors and the P.M.T.C. regarding the cost of tyres, tubes, taxes payable, hiring charges for bullock carts, etc., and on the basis of the information received the mileage necessary to cover the actual expenditure incurred was worked out for various grades of officers and the results are tabulated in the statement at (W). Officers of the status now under consideration are ordinarily expected to maintain a conveyance suited to their rank, and if a car is maintained at all, the expenditure on taxes, insurance and chaffeur's pay is inevitable. Omitting these items and assuming that half the depreciation in the value of the car is to be covered by the mileage rates, the rates that would be necessary vary from annas 7 per mile for a Grade I officer to annas 5 a mile for a Grade IV Officer. These rates are lower than the mileage rates admissible for these officers, and prima facie therefore there is no case for increasing the mileage rates. In fact, the Cabinet has recently decided that the rates of mileage of officers in Grades I & II, should be reduced to annas 9 a mile, and it is, therefore, not opportune to consider any proposal to increase the mileage rates. The present rate of 9 annas a mile for all officers in Grade I to IV is higher than the mileage rates allowed by the Government of India and by certain other provincial Governments for which information is available, for example U.P. & C.P. In these circumstances, it is submitted that the question of increasing the mileage rates and travelling allowance for officers who are entitled to maintain motor-cars need not be pursued.

Sd. x x x
30-9-1947.

H.M.(Finance) No case for a subsidy. Our new revised rates are fair. But in view of the high prices of cars, we may consider increasing interest-free advances and the number of instalments. That may be examined.

B.G.R.
13-10-47.

O.P.R.
16-10-47

The orders in circulation on pages 11-12 above may be perused. The point raised by H.M.(Finance) above is one for consideration by Finance (Expenditure A) section. It is for orders whether an extract of notes on pages 11-12 may be given to that Section for examining the question of increasing interest free advances and the number of instalments for recovery of the advances.

Sd. x x X
16-10-47 X

Sd. x x x
18-10-47.

Extract of notes on pages 11-12 above have been given to Finance (Expenditure A) Section for examining the question raised by H.M.(Finance). The papers may now be

G.O.Ms.No.824, Finance, dated 20-10-1947

Abstract:
T.A. - Increase in rates of mileage for officers - Papers recorded.

Recorded. Sd. . . .
Secretary to Govt.

(True Copy)

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~~Sd~~ x x x
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